



AzIDA **Home+Plus** Lender Training

Program Fees and Lender Compensation

Dirk Swift – Program Director

Dirk@HomePlusAZ.com

Ver. 01-27-21a

AzIDA HOME+PLUS

Program Fees and Lender Compensation

There are five related fees directly associated with the HOME+PLUS program.

Compliance Review Fee

- Master Servicer Fee
- 2nd lien DOT recording fee
- Lender Compensation
- Extension Fee - (if applicable)

Compliance Review Fee

- **The compliance review fee of \$225 payable to Hilltop Securities (HTS).**
- The wire instructions for delivery of this fee can be found at the bottom of the Post-Closing Compliance Review Checklist.



AzIDA HOME+PLUS

Program Fees and Lender Compensation

There are five related fees directly associated with the HOME+PLUS program.

Master Servicer Fees (US Bank)

Tax Service Fee \$80.00

Funding Fee \$400.00

Compliance Review Fee

- **Master Servicer Fee**
- 2nd lien DOT recording fee
- Lender Compensation
- Extension Fee - (if applicable)

Please list fees on LE/CD according to the US Bank Lender Bulletin L-2017-11, dated March 7, 2017.

The master servicer fees are netted from the Lenders Proceeds upon purchase of the mortgage by the master servicer. Since this is a secondary market transaction, these fees should NOT be made payable to US Bank on the LE/CD. The Lender can charge these fees as their own and disclose these fees as their own in order to offset the charge upon purchase.

AzIDA HOME+PLUS

Program Fees and Lender Compensation

There are five related fees directly associated with the HOME+PLUS program.

HOME+PLUS 2nd Lien Recording Fee

Compliance Review Fee

Master Servicer Fee

2nd lien DOT recording fee

Lender Compensation

Extension Fee - (if applicable)

- **The County Recording Fee will vary by County**

- The only fee allowed on the AzIDA HOME+PLUS DPA 2nd lien is the recording fee for the Deed of Trust. A Title Insurance Policy, Escrow Fee, Endorsement Fee, Protection Letter, or any other fee is not necessary nor allowed in association with the HOME+PLUS DPA 2nd lien.

AzIDA HOME+PLUS

Program Fees and Lender Compensation

There are five related fees directly associated with the HOME+PLUS program.

- Compliance Review Fee
- Master Servicer Fee
- 2nd lien DOT recording fee
- **Lender Compensation**
- Extension Fee - (if applicable)

Lender Compensation

- SRP

- The lender receives a Service Release Premium (“SRP”) of 2.50% on ALL HOME Plus transactions, to include FHA, Fannie Mae HFA Preferred, Freddie Mac HFA Advantage, VA and USDA.
 - The SRP is paid upon purchase by the master servicer, less any applicable extension charges.

- Origination Fee

- The Lender can charge an origination fee. AzIDA does not impose a cap on the Lender’s origination fees. The total Lender compensation, which includes the SRP and the Lenders origination fee will be determined by each Lender. It is the Lender’s responsibility to ensure compliance to Agency / GSE / CFPB guidelines in relationship to any charges and fees. Discount points are not allowed.

- Reasonable and Customary Charges

- Lender Fees are fees paid to the Lender for services rendered (i.e. Processing Fees, Underwriting Fees, Administrative or Administration Fees and Doc Prep Fees). AzIDA does not impose a cap on the Lender’s reasonable and customary charges. It is the Lender’s responsibility to ensure compliance to Agency / GSE / CFPB guidelines in relationship to any charges and fees.



AzIDA HOME+PLUS

Program Fees and Lender Compensation

There are five related fees directly associated with the HOME+PLUS program.

- Compliance Review Fee
- Master Servicer Fee
- 2nd lien DOT recording fee
- Lender Compensation
- **Extension Fee** - (if applicable)

Extension Fee

- Once the loan is reserved, the lender has **60-days** for the transaction to close, fund, clear compliance review, and be purchased by the master servicer. Exceeding this total **60-day** timeline will result in an extension fee charged against the lenders SRP.
- We offer a 7-day, 15-day, 22-day and 30-day extension (90-days total time) to the lender for complete delivery. We are not obligated to exceed the 90-day total time period for purchase. Any transaction that exceeds the 90-day period does not have to be honored by AzIDA or the master servicer.
- The current HOME+PLUS extension fee schedule is as follows:

Rate Lock Extension	Extension Fees
7 days	0.06250 Points
15 days	0.12500 Points
22 days	0.18750 Points
30 days	0.25000 Points

QM – ATR – HPML

- Since the **HOME+PLUS** program is administered by a Housing Finance Agency, the new underlying first mortgage has some ATR/QM exemptions.

This information is not intended to provide legal advice. Lenders should consult their own legal counsel to ensure compliance with these rules. For further clarity please reference USB Lender Bulletin 2014-01 USB Lender Bulletin L-2016-019.

- **Higher-priced Mortgage Loans (HPML)** – our master servicer will purchase Higher-Priced mortgage loans (HPML).
- **High-Cost Loans** - our master servicer will NOT purchase High-Cost loans.
- **Ability to Repay (ATR) / Qualified Mortgage (QM)** – mortgage loans that are originated and closed by Lenders participating in a program administered by an HFA, Housing Finance Agency like **HOME+PLUS**, are exempt from some ATR/QM requirements.

(HFA loans are NOT exempt from the new HOEPA requirements as they relate to High Cost and the TILA requirements for higher-priced mortgage loans. The lender should still have been ensuring that higher priced loans followed HOEPA & TILA regulations).

QM – ATR – HPML

- Since the **HOME+PLUS** program is administered by a Housing Finance Agency the new underlying first mortgage has some ATR/QM exemptions.
- *HFA is exempt from the 3% test (QM). The lender should just comply with the HOEPA (5%) and State (AZ is 5%).*

I've also attached a section from our selling guide, section 400 that also provides guidance in these instances:

U.S. Bank Home Mortgage – Correspondent Seller Guide

01/2019	400: Compliance
Page 25 of 45	400.19: Truth in Lending Act (TILA) and Regulation Z

HOEPA/High-Cost Thresholds

Loans covered under the HOEPA rule undergo three tests to determine if they are high-cost.

- The rate threshold is met when the APR (Annual Percentage Rate) exceeds the APOR (Average Prime Offer Rate) for a comparable transaction by more than:
 - 6.5 percent for first lien transactions (reduced from 8.5 percent)
 - 8.5 percent for subordinate lien transactions (reduced from 10 percent)
- The points and fees thresholds are listed below:
 - 5% of the total loan amount for a transaction with a loan amount equal to or more than \$21,549.
 - The lesser of 8% of the total loan amount or \$1077 for a transaction with a loan amount of less than \$21,549.
- The prepayment threshold is met when a prepayment:
 - May be charged more than 36 months after consummation; or
 - Penalties can exceed, in total, more than 2 percent of the amount prepaid.

Annual Adjustment: The dollar amounts noted above for the points and fees threshold are for calendar year 2019, effective January 1, 2019. The high-cost threshold dollar amounts are subject to annual adjustments effective on January 1 of each year based on the CPI index.